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STENEHJEM REACHES SETTLEMENT WITH YELLOW PAGES, INC. REGARDING “LIVE CHECK” SOLICITATIONS

BISMARCK – Attorney General Wayne Stenehjem, in cooperation with 26 other states, has entered into a settlement agreement with Yellow Pages, Inc. and Electronic Directories Company, enjoining the companies from sending businesses deceptive “live check” solicitations for advertising purposes. Both companies are owned by John Wurth of Anaheim, California.

“We will not permit these companies to unwittingly trick our North Dakota businesses into purchasing advertising services in worthless directories,” Stenehjem said. Yellow Pages, Inc. which produces both print and online directories, mailed North Dakota businesses unsolicited checks in typical amounts of \$3.47 or \$3.49. The checks contained inconspicuous disclosures that did not clearly explain the solicitations or obligations to the businesses for endorsing the checks. Businesses endorsed such checks without realizing that by depositing the checks they were entering into contracts with Yellow Pages, Inc. for up to \$199 for an annual listing in the printed directory, or the online directory at www.YellowPagesInc.com.

This agreement now prohibits the use of future “live check” solicitations. North Dakota businesses that deposited the checks but have not paid for the services will be removed from Yellow Pages’ customer list, and will not have to pay for the alleged services. Business customers will have to opt-in for future “renewals.” North Dakota businesses who paid the Yellow Pages invoices will receive a full refund if they file a complaint within 60 days. Complaints are available at www.ag.nd.gov or toll free at 1-800-472-2600.

“This legal action sends a clear message that North Dakota will not tolerate these deceptive business solicitations. The practice of sending small checks to entice consumers is becoming more prevalent. While not all such solicitations are illegal or deceptive, businesses and individuals both should be very careful about negotiating minimal checks that result in unwanted, questionable, or worthless services,” Stenehjem said.

According to Parrell Grossman, Director of the Attorney General’s Consumer Protection Division, the Attorney General’s Office has received 43 complaints and has been investigating Yellow Pages, Inc. since October, 2004.